

File Number
GP03-05-10 and PDC03-093

Application Type
General Plan Amendment and Planned
Development Rezoning

Council District
5

Planning Area
Alum Rock

Assessor's Parcel Number(s)
481-05-021, -023, -030, -031, -032,
481-06-036

STAFF REPORT

PROJECT DESCRIPTION

Completed by: Richard Buikema

Location: Southwest corner of Jackson Avenue and McKee Road

Gross Acreage: 34.4

Net Acreage: 34.4

Net Density: N/A

Existing Zoning: A(PD) Planned Development, R-2
Residence, CG Commercial General, A
Agriculture and CO Commercial Office

Existing Use: Hospital, Medical Offices, Commercial, Vacant

Proposed Zoning: A(PD) Planned Development

Proposed Use: Hospital and Medical Office

GENERAL PLAN

Completed by: RB

Land Use/Transportation Diagram Designation: Public/Quasi-Public on 17.2 acres,
Medium Density Residential (12-25 DU/AC) on 7.9 acres, Office on 4.7 acres,
and Neighborhood/Community Commercial on 4.6 acres.

Project Conformance:
☒ Yes ☐ No
☒ See Analysis and Recommendations

SURROUNDING LAND USES AND ZONING/GENERAL PLAN DESIGNATION

Completed by: RB

North: Commercial, Medical Clinic, Public Open
Space

R-2 Residence, A Agriculture, CP Commercial Pedestrian/ Public
Park/Open Space, Public/Quasi-Public, General Commercial

East: Medical Offices

CP Commercial Pedestrian, CO Commercial Office and A(PD) Planned
Development/ Office

South: Office and Multi-family Residential

CO Commercial Office, CP Commercial Pedestrian, A(PD) Planned
Development, R-M (CL) Multi-family Cluster/ Office, Medium High
Density Residential (12-25 DU/AC)

West Multi-family residential, Office, and
Commercial

R-M (PD) Planned Development, CO Commercial Office, CP
Commercial Pedestrian, CN Commercial Neighborhood/ Medium High
Density Residential (12-25 DU/AC), Office, General Commercial

ENVIRONMENTAL STATUS

Completed by: RB

☒ Environmental Impact Report *Regional Medical Center of San Jose Hospital Expansion*
Project pending

☐ Exempt
☐ Environmental Review Incomplete

FILE HISTORY

Completed by: RB

Annexation Title: McKee No. 1_B (9/21/1956), McKee No.24_A (9/6/01962),
McKee No. 58 (12/21/1970), McKee No.89 (12/5/1977)

Date:

PLANNING DEPARTMENT RECOMMENDATIONS AND ACTION

☒ Approval
☐ Approval with Conditions
☐ Denial

Date: 10-26-04

Approved by: _____
☐ Action
☒ Recommendation

APPLICANT/DEVELOPER	OWNER
San Jose Healthcare System, L.P. 225 North Jackson Avenue San Jose, CA 95116	San Jose Healthcare System, L.P. 225 North Jackson Avenue San Jose, CA 95116
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PUBLIC AGENCY COMMENTS RECEIVED	Completed by: RB
Department of Public Works	
Please see two attached memorandum (Ryan Do, 10/15/04; Ebrahim Sohrabi, 10/15/04)	
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Other Departments and Agencies	
Police Department (Officer Bill Miller, 11/20/03), Fire Department (Nadia Naum-Stoian, 11/20/03) Environmental Services Department (Geoff Blair, 11/20/03) Valley Transportation Authority (Roy Molseed, 4/5/2004)	
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GENERAL CORRESPONDENCE	
Please see attached.	
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ANALYSIS AND RECOMMENDATIONS	

BACKGROUND

This staff report covers both a General Plan amendment (GP03-05-10) and a Planned Development rezoning (PDC03-093) to allow for the expansion of the Regional Medical Center (RMC), located on a 34.4-acre site on the southwest corner of Jackson Avenue and McKee Road. The site currently consists of a variety of uses, including the Regional Medical Center of San Jose (formerly Alexian Brothers Hospital), medical offices, a bank and a vacant portion of the site.

A hospital has operated on this site since 1965. Formerly the Alexian Brothers Hospital, the facility was purchased by Hospital Corporation of America (HCA) in 1998 and the name eventually was changed to the Regional Medical Center. The hospital was the first hospital located in east San Jose. Part of the land was donated from the Overfelt Ranch as a memorial to Jackson Overfelt. Since it opened, the hospital has been expanded several times in order to provide a greater number of medical services and improve the medical facilities. The hospital is still owned and operated by HCA, the largest health care organization in the United States, which owns and operates approximately 190 hospitals and other healthcare facilities in 23 states, England and Switzerland. In San Jose, HCA also owns and operates the San Jose Medical Center at 675 East Santa Clara Street.

On September 9, 2004, HCA announced its plans to close the San Jose Medical Center (SJMC) facility on December 9, 2004; much sooner than the timeframe previously discussed of 2006 or 2007. In conjunction with the closure, a press release indicated that HCA would seek to establish a certified trauma center at the Regional Medical Center and convert its current prenatal clinic to an Urgent Care Center to serve primary and urgent care patients now seen at both hospitals.

The closure of the SJMC raised significant public concern. In response, a report was commissioned by the City of San Jose and Santa Clara County to assess the expected impact of the closure of San Jose Medical Center on the community surrounding the hospital. The report is expected to include recommendations on how to minimize any adverse impacts of the closure that are identified. The study is expected to be completed in the next couple of months.

Although under the same ownership, the closure of the SJMC could occur independently of the expansion of the RMC. The closure of a privately-owned hospital can occur at any time without City approval. Therefore, the proposed expansion at the Regional Medical Center and its relationship to the timing or extent of the SJMC closure was not a major consideration in Planning staff's evaluation of this project.

Today, the Regional Medical Center is an approximately 207,200 square foot hospital and provides approximately 180 hospital beds. Two medical office buildings are also located on site. The building along Jackson Avenue was built in 1970 and is approximately 51,500 square feet in size. The other medical office building along McKee Road was built more recently, in 1997, and is approximately 33,600 square feet in size. Both buildings are two-stories in height and are proposed to remain on the site.

Project Description

The applicant, San Jose Healthcare System L.P., is requesting a General Plan amendment and Planned Development rezoning to allow the expansion of Regional Medical Center and medical facility uses on a 34.4 acre site. The proposed General Plan amendment requests a change from Medium High Density Residential (12-25 DU/AC) on 7.9 acres, Office on 4.7 acres, and Neighborhood/Community Commercial on 4.6 acres to Public/Quasi-Public on 17.2 acres. The remainder of the 34.4-acre site is already designated Public/Quasi-Public, reflecting the existing hospital use. The proposed General Plan amendment land use designation to Public/Quasi-Public would allow for hospital and medical uses, as proposed under the Planned Development rezoning application.

Also proposed is a Planned Development rezoning application to provide a master plan for the Regional Medical Center of San Jose site. The proposed project would allow a 736,000 square-foot expansion of hospital and medical office uses in two phases as summarized in the table below.

<i>Use</i>	<i>Existing</i>	<i>Phase 1</i>	<i>Phase 2</i>	<i>Total</i>
Hospital	207,200	136,000 Sq. Ft.	300,000 Sq. Ft.	643,200 Sq. Ft.
Medical Office Buildings	84,100	120,000 Sq. Ft.	180,000 Sq. Ft.	384,100 Sq. Ft.
Total	291,300	256,000 Sq. Ft.	480,000 Sq. Ft.	1,027,300 Sq. Ft.

The hospital would range from one to six-stories in height and the new office building would be three to four stories in height. At build out, the hospital could have up to 310-320 hospital beds, a net increase of approximately 135 beds. The project would also include the construction of 3 parking structures as a part of the second phase of the project.

Phase I

The core area of the existing hospital is proposed to remain under the proposed rezoning. Phase I would include a 136,000 square foot addition to the existing hospital building and a new 120,000 square foot medical office building along Jose Figueres Avenue. The additions to the hospital would include a 46,000 square-foot Emergency Department and Trauma Center, a 62,000 square-foot patient wing, 10,200 square-foot Pediatric Intensive Care Unit (PICU) and an 8,200 square foot Central Plant. A new 9,600 square foot Intensive Care Unit (ICU) may be added between Phase I and Phase II construction. An additional 650 surface parking stalls will be added to accommodate the additional square footage. There are proposed to be 1,610 parking stalls upon the completion of Phase I.

In response to the recent announcement of the closure of San Jose Medical Center, the proposed rezoning includes the allowance for a temporary helipad, centrally located on the site, as an interim use during the construction of the Emergency Department with a rooftop heliport, as proposed in Phase I, is complete.

Construction of Phase I is anticipated to begin immediately if the zoning and subsequent development permits are approved. As a result of the proposed expansion, demolition of existing buildings on site is required. Phase I will involve removal of a one-story women's clinic and the former Alexian Brothers residential building, which is currently unoccupied. The construction of Phase I is anticipated to be completed in early 2007.

Phase II

Phase II is a long-term plan with an estimated timeframe of 10- 20 years. Phase II includes approximately 180,000 square feet of new medical office buildings, a 296,000 square-foot patient tower and an addition of 4,000 square feet to the Central Plant. At build out, the hospital would have a total of approximately 310-320 inpatient beds. Parking would be implemented through the use of parking garage structures. It is estimated that parking will increase by approximately 1266 spaces for a total of 2876 spaces. Construction of one of the proposed medical office buildings would require the removal of the existing bank at the southwest corner of McKee Road and Jose Figueres Avenue.

Operational Improvements

Traffic operational improvements to Jackson Avenue are proposed in front of the subject site. This includes the relocation of the main access driveway to the north to align with Mather Drive. This will improve the efficiency of the intersection and facilitate easier more direct access to the site. A landscaped median island will also be constructed within the Jackson Avenue right-of-way to

improve the flow of traffic in front of the site as well as improving the aesthetics of Jackson Avenue (Refer to attached memo from the Department of Public Works).

Site and Surrounding Uses

The subject site is approximately 34.4 acres in size and bordered by McKee Road to the north, Jackson Avenue to the east, Alexian Drive to the south and Jose Figueres Avenue to the west. The site is developed with a mix of uses, including a hospital (207,200 square feet), medical office buildings (84,100 square feet), a former group residence of the Alexian Brothers Order, and a bank (7,700 square feet). A large portion of the site, approximately 9.4 acres along the western and southern edges of Jose Figueres Avenue and Alexian Drive, is vacant.

The surrounding land uses include a public park (Overfelt Gardens Regional Park), a health clinic and commercial uses to the north across McKee Road. Office uses are located to the east across Jackson Avenue and along the north side of Alexian Drive. Multi-family residences are located south of Alexian Drive and to the west across Jose Figueres Avenue. Some commercial uses are also located to the west at the southwest corner of McKee Road and Jose Figueres Avenue.



The site can be accessed via various methods of transportation. Regional access to the project site is provided by Interstate 680, U.S. Highway 101 and Capitol Expressway. Local access to the site is provided by McKee Road, Alum Rock Avenue, Jackson Avenue, Jose Figueres Avenue and Alexian Drive. The Santa Clara Valley Transportation Authority (VTA) operates bus and light rail transit in Santa Clara County and offers services to the site from throughout the City and County. Lines 70 and 81 currently serve the Regional Medical Center.

ENVIRONMENTAL REVIEW

An Environmental Impact Report was prepared to analyze the potential environmental impacts of the project and to identify alternatives to the project that could reduce the environmental impacts to a less than significant level.

The report analyzed the following topic areas:

- | | | |
|------------------------|----------------------------------|--------------------|
| ➤ Land Use | ➤ Hydrology | ➤ Visual Resources |
| ➤ Transportation | ➤ Hazardous Materials | ➤ Aesthetics |
| ➤ Air Quality | ➤ Geology, Soils, and Seismicity | ➤ Energy |
| ➤ Noise | ➤ Cultural Resources | |
| ➤ Biological Resources | ➤ Utilities | |

The EIR determined that all of the potential environmental impacts could be mitigated to a less than significant level with the exception of the following:

Air Quality – Project-generated vehicle and stationary source emissions will exceed BAAQMD thresholds and would therefore, have a significant impact on regional air quality. A Transportation Demand Management Program was identified as a way to reduce the impact. However, the resulting reduction in emissions would not be sufficient to reduce the impacts to a less than significant level.

Transportation – The project will have a greater than one percent impact on three mixed-flow freeway segments currently operating at a level-of-service F. As it is not feasible for individual projects to be responsible for widening freeway sections, it is considered a significant unavoidable traffic impact. Hospital construction in excess of 666,000 square feet was determined to result in an impact to the Tully Road/King Road intersection during the PM peak hour. This impact can be mitigated to a less than significant level through intersection improvements that will be required as part of a Planned Development Permit for project development in excess of 666,000 square feet.

Noise – Residential areas up to approximately 2,300 feet to the southwest of the proposed helipad could be exposed to noise levels from helicopter overflights sufficient to result in sleep disturbance. These impacts can be reduced through the use of consistent flight paths that avoid residential areas. However, it is recognized that emergency flights, due to public safety or weather conditions, may need to use approach and departure paths that could result to noise impacts to the surrounding community. Therefore, the potential noise impact can not be reduced to less than significant level.

Noise from increased emergency ambulance trips will also contribute to the significant noise impact in the vicinity of the project.

Cumulative Impacts – The EIR also identifies significant cumulative impacts to air quality and transportation.

If the City Council approves this project despite the significant unavoidable environmental impacts, a statement of overriding considerations would need to be adopted in conjunction with the approval of the General Plan amendment and Planned Development zoning.

GENERAL PLAN CONFORMANCE

The applicant has filed the General Plan amendment to facilitate expansion of the Regional Medical Center of San Jose on the entire 34.4-acre site. The specific General Plan amendment request would change the *San Jose 2020 General Plan* Land Use/Transportation Diagram designations from Office on 4.7 acres, Neighborhood/Community Commercial on 4.6 acres and Medium High Density Residential (12-25 DU/AC) on 7.9 acres to Public/Quasi-Public on 17.2 acres of a larger 34.4-acre site. The remainder of the site is already designated Public/Quasi-Public.

The proposed General Plan amendment and Planned Development rezoning are consistent with the San Jose 2020 General Plan. The Public/Quasi-Public designation is used to designate public land uses, including schools, libraries, government offices and airports. This designation is also used identify lands used by some private entities, including public utilities and facilities, private hospitals, private schools and churches. Only existing uses and ownerships and future uses for which substantial planning has been completed are designated Public/Quasi-Public. The existing and proposed hospital expansion is consistent with the Public/Quasi-Public land use designation.

In 1985, a General Plan amendment (GP85-5-3) was approved on a 15.3-acre portion of the site. The request, at that time, was to reflect proposed uses for a senior residential development and residential care facility on the existing Medium High Density Residential (12-25 DU/AC) land use designation. In addition, the applicant also proposed Neighborhood/Community Commercial on approximately 3 acres to allow for service and retail establishments to meet the needs of the senior residents. The remaining 5 acres of the 15.3-acre subject site proposed to change from Medium High Density Residential (8-16 DU/AC at the time) to Public/Quasi-Public to facilitate future administrative offices and parking for the hospital. None of these projects were constructed.

The proposed expansion of the Regional Medical Center is supportive of the Economic Development Major Strategy of the General Plan. The expanded hospital will be a state of the art facility, which will provide convenient access to health services in East San Jose as well as trauma services to the region as a whole. The existence of such a facility will enhance the image of San Jose as desirable place to live and to conduct business. The facility will also be an important source of employment opportunities at a variety of income levels. This should be an economic boost to businesses in the vicinity of the facility.

The proposed PD zoning would allow building heights of up to 115 feet. The General Plan Urban Design Policies allow for an exception to the 50-foot citywide General Plan height limit for

public/quasi-public facilities such as hospitals to be considered in the context of a Planned Development zoning, with no maximum height. Therefore the project could be found consistent with the General Plan Urban Design policies in regards to building height.

ANALYSIS

The main issue for this project is whether a hospital expansion of the size proposed can be accommodated on the subject 34-acre site without adversely impacting the adjoining neighborhood and surrounding transportation system.

A main issue of concern is the compatibility of the proposed hospital expansion with the residential areas in the vicinity of the site. A good portion of the proposed expansion will occur on a currently vacant area on the westerly side of the property, closest to Jose Figueres Avenue. This includes a four-story, 120,000 square foot medical office building that is proposed as part of Phase I. This building will be designed with a single story portion closest to the street, in order to be of a compatible scale with the multi-family units on the opposite side of Jose Figueres Avenue. There is also a small lot proposed on the hospital property, adjacent to the medical office building, that will be accessible to community residents. A four level parking structure is also proposed in this area as a part of Phase 2 of the development. Main access to the parking structure will be from the interior of the site. The setback for all structures and open parking along Jose Figueres side of the site will be 35 feet. More refinement of the architecture will occur as a part of the Planned Development Permit stage to ensure that the proposed project will be compatible with the surrounding neighborhood and is of the highest architectural quality.

Given the large size of the site, the expansion can be accommodated within low profile buildings, with the exception of the six-story patient wing proposed at the center of the site as a part of Phase II. The outward appearance of the hospital from the vantage point of McKee and Jackson Avenue will not substantially change. Main access to the site will continue to be taken from McKee Road and Jackson Avenue with only two access points on Jose Figueres Avenue.

A major feature of the project is the establishment of Trauma Center at the proposed hospital. A trauma center is a location for the treatment of critical trauma patients, defined as those with injuries capable of causing death or major damage. The trauma center provides specific types of health care services according to State and County Standards. In conjunction with the trauma center, a helipad is proposed to provide emergency helicopter access to the site, as time is often critical in the care of trauma patients. As discussed in the Environmental Impact Report, the noise from the helicopter could expose residents in the vicinity of the proposed helipad to noise levels sufficient to result in sleep disturbance. There will also be increased noise as a result of increased emergency vehicle traffic. Measures will be taken to minimize this impact, however, the potential for sleep disturbance can not be avoided given the nature of the use.

Another concern is the impact on the neighborhood that could result from a shortage of parking on the hospital site. The applicant provided a Parking Study, prepared by a traffic consultant, to address the parking needs of the expanded hospital. The report included an evaluation of the existing parking supply and demand and the projected needs for the two phases of the project. In

addition to the City of San Jose Zoning Ordinance parking requirements for hospitals and medical office buildings, the study used three different methodologies to estimate the future parking needs of the hospital.

Using the method recommended by the consultant, the proposed amount of parking after completion of Phase 1 (1,610) and after completion of Phase 2 (2,876) could potentially result in a shortage of parking at the expanded hospital. The report recommends that there be 1,808 parking stalls (198 more than are proposed) after the completion of Phase 1 and 3,390 parking stalls (514 more than are proposed) after completion of Phase 2. However, the report admits that this method is speculative and conservatively high. To address this potential deficiency, an updated parking analysis will be required to be prepared three months after full occupancy of Phase 1 improvements to verify the parking usage. The findings of the updated study will be used as part of the Planned Development Permit process to determine the appropriate parking requirement to apply to Phase 2 of the development. This approach will address any shortages created by Phase 1 and to insure that there is not a shortage created by Phase 2. The hospital facility will also be using valet parking and shuttles to maximize the amount of available parking on the site. The proposed number of parking spaces is well in excess of that required by the San Jose Zoning Ordinance which would require 923 in Phase 1 and 1659 in Phase 2.

In spite of the identified noise and traffic concerns, the proposed hospital expansion can be accommodated on the subject site in a manner that will not adversely impact the area surrounding the hospital site. Measures will be taken to minimize the noise impacts as much as possible but ambulance and helicopter noise is unavoidable in the vicinity of a hospital. In addition, the proposed onsite and offsite improvements will be designed to more efficiently handle vehicle traffic on and surrounding the hospital property. The proposed building additions will be designed in a manner that is compatible with the existing hospital and be of generally low scale for a hospital of the size proposed.

PUBLIC OUTREACH

The applicant conducted two community meetings on April 21, 2004 and June 21, 2004 in the vicinity of the site to discuss the proposed project and Environmental Impact Report with interested members of the public. These meetings were well attended and a majority of the comments focussed on the impact that the expansion of the Regional Medical Center could have on the continued operation of the San Jose Medical Center. These meetings were conducted prior to the announcement of the pending December 9th closure of the San Jose Medical Center. The project was also discussed at the recent General Plan Community Meetings held on October 6th & 7th, 2004 October 7th and the EIR Scoping meeting.

Notices of the public hearing were distributed to the owners and tenants of all properties located within 1000 feet of the subject site as well as published in the San José Post Record. The Planning Commission agenda and City Council agenda are posted on the City of San José website with copies of the staff report and City Council memo. Staff has been available to discuss the project with interested members of the public.

RECOMMENDATION

The Director of Planning recommends approval of the General Plan amendment and Planned Development rezoning to allow for the proposed expansion of the Regional Medical Center. The General Plan amendment request for Public/Quasi-Public is consistent with the existing and proposed uses of the site. In addition, the proposed Planned Development zoning will allow for a newly expanded medical facility to serve the medical needs of residents of East San Jose and the region as a whole.